

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

In Re. The Gateway Ventures, LLC

§
§
§
§

Case No. 21-30071

Debtor(s)

☐ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 09/30/2021

Petition Date: 02/02/2021

Months Pending: 8

Industry Classification:

2	3	6	2
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Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☒ Accounts receivable aging
- ☒ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☒ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

x /s/ Michael Dixon

Signature of Responsible Party

10/19/2021

Date

Michael Dixon

Printed Name of Responsible Party

5996 OJO DE AGUA, El Paso, TX 79912

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Case No. 21-30071

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Debtor's Name The Gateway Ventures, LLC

Case No. 21-30071

Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$0	\$28,467	\$179,907	\$204,907	
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i	WKPZ	Lead Counsel	\$0	\$28,467	\$179,907	\$204,907
	ii						

b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative	
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$0	\$0	\$0	\$0	
	<i>Itemized Breakdown by Firm</i>						
		Firm Name	Role				
	i		Lead Counsel	\$0	\$0	\$0	\$0
	ii					\$0	
c.	All professional fees and expenses (debtor & committees)						

Part 6: Postpetition Taxes

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$0	\$0
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☒ No ☐
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☐ No ☒
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have:
- Worker's compensation insurance? Yes ☐ No ☒
- If yes, are your premiums current? Yes ☐ No ☐ N/A ☒ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐

Debtor's Name The Gateway Ventures, LLC

Case No. 21-30071

- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Part 8: Individual Chapter 11 Debtors (Only)

- | | | |
|--|---|-----|
| a. Gross income (receipts) from salary and wages | _____ | \$0 |
| b. Gross income (receipts) from self-employment | _____ | \$0 |
| c. Gross income from all other sources | _____ | \$0 |
| d. Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. Payroll deductions | _____ | \$0 |
| f. Self-employment related expenses | _____ | \$0 |
| g. Living expenses | _____ | \$0 |
| h. All other expenses | _____ | \$0 |
| i. Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. List the total amount of all postpetition debts that are past due | _____ | \$0 |
| l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? | Yes <input type="radio"/> No <input checked="" type="radio"/> | |
| m. If yes, have you made all Domestic Support Obligation payments? | Yes <input type="radio"/> No <input type="radio"/> N/A <input checked="" type="radio"/> | |

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

x /s/ Michael Dixon

Signature of Responsible Party

President

Title

Michael Dixon

Printed Name of Responsible Party

10/19/2021

Date

14,338.00

Statement (Part 2: item C. Inventory

Case Number: 21-30071

Case Name: The Gateway Ventures, LLC

Reporting Period: September 2021

Statement 1 - Part 2: Assets and Liabilities Status, Item c., Inventory - Other

Other Current Assets:

12500 - Work in Process

13000 - Unallocated WIP

13002 WIP - Land Develop Costs \$ 45,400.00

13003 WIP - Soft Costs \$ 541,034.16

13004 WIP - Construction Costs \$ 17,824.00

13005 WIP - Developer Fees \$ 20,000.00

Total 13000 - Unallocated WIP \$ 624,258.16

Explanation: In the field of development, all cost of the project are held on the Companies Balance sheet under differently categories of unallocated WIP, these include:

13001 WIP - Land and Lot Costs - This will have the raw cost of the land or property

13002 - Land Develop Cost - This will have the cost of developing the land it's self for example: clearing, leveling, etc.

13003 WIP - Soft Costs - this section has the cost for legal, engineering, advertising, all none hard project costs.

13004 WIP - Construction Costs - this is the cost of constructing the buildings.

13005 WIP - Developer Costs - These are the costs for the onsite management and or outside developer Partner.

Every 6 months the unallocated WIP is Cleared out and deducted from the stabilized value of the property, this is why you don't see the original cost of the land or any other costs that were moved to the stabilized value.. When the property or a piece of the property is sold the amount of these costs are allocated as costs of good on the income statement. If a portion is sold then the costs are allocated to the portion sold. Therefore the income or loss is not realized until the project or development is sold. The WIP above has not been cleared to the stabilized value yet, this is why it is still listed, and changes in the balance effect the Cash flow statement.

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Accrual Basis

The Gateway Ventures, LLC
Profit & Loss
September 2021

	Sep 21	Aug 21	\$ Change
Ordinary Income/Expense			
Expense			
Legal	179,907.00	0.00	179,907.00
Payroll Expenses			
Management Fees	0.00	25,000.00	-25,000.00
Total Payroll Expenses	0.00	25,000.00	-25,000.00
Professional Fees	3,200.00	0.00	3,200.00
Total Expense	183,107.00	25,000.00	158,107.00
Net Ordinary Income	-183,107.00	-25,000.00	-158,107.00
Net Income	<u>-183,107.00</u>	<u>-25,000.00</u>	<u>-158,107.00</u>

The Gateway Ventures, LLC

Balance Sheet

As of September 30, 2021

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10/20/21

Accrual Basis

	Sep 30, 21	Aug 31, 21	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
The Gateway Ventures - Chase	14,338.05	643,411.55	-629,073.50
Total Checking/Savings	14,338.05	643,411.55	-629,073.50
Accounts Receivable			
Accounts Receivable	5,114.46	5,114.46	0.00
Total Accounts Receivable	5,114.46	5,114.46	0.00
Other Current Assets			
Legalist Loan Interest Reserve	9,500.00	0.00	9,500.00
12500 - Work in Process			
13000 - Unallocated WIP			
13002 WIP - Land Develop Costs	45,400.00	28,500.00	16,900.00
13003 WIP - Soft Costs	541,034.16	539,756.66	1,277.50
13004 WIP - Construction Costs	17,824.00	17,824.00	0.00
13005 WIP - Developer Fees	20,000.00	0.00	20,000.00
Total 13000 - Unallocated WIP	624,258.16	586,080.66	38,177.50
Total 12500 - Work in Process	624,258.16	586,080.66	38,177.50
14000 - Intercompany Transfers			
14001 - Due To/From PDG Prestig	114,235.00	0.00	114,235.00
14000 - Intercompany Transfers - Other	313,554.00	0.00	313,554.00
Total 14000 - Intercompany Transfers	427,789.00	0.00	427,789.00
Total Other Current Assets	1,061,547.16	586,080.66	475,466.50
Total Current Assets	1,080,999.67	1,234,606.67	-153,607.00
Other Assets			
15000 - Stabilized Assets			
15001 - Gateway Stabilized Valu	12,382,078.32	12,382,078.32	0.00
Total 15000 - Stabilized Assets	12,382,078.32	12,382,078.32	0.00
Total Other Assets	12,382,078.32	12,382,078.32	0.00
TOTAL ASSETS	13,463,077.99	13,616,684.99	-153,607.00
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	1,055,318.31	1,035,318.31	20,000.00
Total Accounts Payable	1,055,318.31	1,035,318.31	20,000.00
Other Current Liabilities			
Legalist Dip Fund I			
Legalist Dip Fund I - Loan	10,000,000.00	10,000,000.00	0.00
Accrued Interest	125,993.86	116,493.86	9,500.00
Accrued Fees	537,500.00	537,500.00	0.00
Total Legalist Dip Fund I	10,663,493.86	10,653,993.86	9,500.00
Legal Settlement	1,780,000.00	1,780,000.00	0.00
Total Other Current Liabilities	12,443,493.86	12,433,993.86	9,500.00
Total Current Liabilities	13,498,812.17	13,469,312.17	29,500.00

The Gateway Ventures, LLC

Balance Sheet

As of September 30, 2021

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10/20/21

Accrual Basis

	Sep 30, 21	Aug 31, 21	\$ Change
Long Term Liabilities			
22000 - Other Loans			
22001 - Kabbage PPP Loan	68,718.00	68,718.00	0.00
Total 22000 - Other Loans	68,718.00	68,718.00	0.00
Total Long Term Liabilities	68,718.00	68,718.00	0.00
Total Liabilities	13,567,530.17	13,538,030.17	29,500.00
Equity			
31000-Stabilized Value AboveWIP			
31001 - The Gateway Ventures	1,472,523.25	1,472,523.25	0.00
Total 31000-Stabilized Value AboveWIP	1,472,523.25	1,472,523.25	0.00
32000 - Member Contributions			
32001 - PDG Prestige Inc. 93%			
Sam Contribution	111,000.00	111,000.00	0.00
32001 - PDG Prestige Inc. 93% - Other	1,002,953.21	1,002,953.21	0.00
Total 32001 - PDG Prestige Inc. 93%	1,113,953.21	1,113,953.21	0.00
32002 - West Star Investors 7%	418,912.49	418,912.49	0.00
Total 32000 - Member Contributions	1,532,865.70	1,532,865.70	0.00
34000 - Member Draws			
34001 - PDG Prestige	-1,915,754.72	-1,915,754.72	0.00
Total 34000 - Member Draws	-1,915,754.72	-1,915,754.72	0.00
Retained Earnings	-246,565.53	-246,565.53	0.00
Net Income	-947,520.88	-764,413.88	-183,107.00
Total Equity	-104,452.18	78,654.82	-183,107.00
TOTAL LIABILITIES & EQUITY	13,463,077.99	13,616,684.99	-153,607.00

Sep-21

PAYMENTS TO INSIDERS AND PROFESSIONALS

